



COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

DAVID W. SWEET
COMMISSIONER

June 1, 2017

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Notice of Oral Ex Parte Communications, WC Docket Nos. 10-90, 14-58,
and 14-259

Dear Secretary Dortch:

On May 30, 2017, Pennsylvania Public Utility Commission (PA PUC) Chairman Gladys M. Brown and her legal counsel Joseph Witmer, PA PUC Commissioner and National Association of Regulatory Utility Commissioners (NARUC) President Robert F. Powelson and NARUC General Counsel James Bradford Ramsay, and PA PUC Commissioner David W. Sweet and myself, legal counsel to Commissioner Sweet, met with Federal Communications Commission (FCC) Chairman Ajit Pai and his advisor Dr. Jay Schwarz.

The purpose of the meeting was to discuss the Petition for Reconsideration, Modification, or Waiver (Petition) jointly filed by the PA PUC and the Pennsylvania Department of Community and Economic Development on April 19, 2017, that currently remains pending before the FCC. In the meeting, the PA PUC Commissioners recited Pennsylvania's innovative broadband history at the state level and the continued significance of Connect America Fund (CAF) Phase II funding to support Pennsylvania's efforts to modernize its broadband access.

As stated by Commissioner Powelson, Pennsylvania was an early innovator in broadband deployment, acting as an early adopter state in the 1990s to mandate ubiquitous broadband access on a technologically-agnostic basis. By the close of 2015, Pennsylvania had succeeded in achieving its goal of universal broadband deployment across all of Pennsylvania's 67 counties, providing basic broadband access throughout a state that is 80% rural. In these rural areas where the business case for deployment is challenging, however, some counties are struggling to keep up economically. Commissioner Powelson complimented New York, stating that to its credit New York had devised a plan to retain access to CAF Phase II. Commissioner Powelson noted that while Pennsylvania deserved credit for doing a great job mandating universal broadband accessibility, the CAF Phase II support remains critical to Pennsylvania in order to modernize existing broadband access to provide currently recognized speeds and bandwidth. Commissioner

Marlene H. Dortch, Secretary

June 1, 2017

Page 2

Powelson identified that the Pennsylvania Petition enjoys strong bipartisan Congressional support from both the House and Senate, noting letters of support from several members of Congress in addition to the support of both of Pennsylvania's United States Senators, Bob Casey, Jr., and Pat Toomey. Commissioner Powelson welcomed a conversation with the FCC on how to best accommodate Pennsylvania's need for broadband modernization.

Chairman Brown emphasized the importance of the Petition in ensuring the deployment of modern broadband in the extensive rural swaths of Pennsylvania. Chairman Brown also emphasized that rural broadband deployment is a major policy goal of the current administration of Governor Tom Wolf. She further stated that multiple members of Pennsylvania's General Assembly and its leadership have contacted her about their concerns with the availability of modern broadband in Pennsylvania and its importance to their constituents, particularly in rural areas. Finally, the Chairman indicated that Commissioner Sweet was coordinating the efforts on this Petition given his experience in the General Assembly as well as his prior work with the administration of Governor Wolf.

Commissioner Sweet expressed concern that citizens of Pennsylvania may be adversely affected by the decision of one carrier in Pennsylvania to decline the FCC's offer of CAF Phase II support, and that this decision could lead to intra-county economic problems where consumers served by a carrier that accepted support will have modern access and economic opportunities that their neighbors will lack. Acknowledging that Pennsylvania did not have the equivalent of New York's \$500 million dedicated broadband fund, Commissioner Sweet noted that Pennsylvania generally has a different history and approach than its neighboring state, often acting on a local public/private level without big state programs or extensive funding. Nonetheless, garnering guidance from the FCC's orders that ruled on New York's waiver request and finalized the FCC's auction formula, Pennsylvania tightly crafted its request for relief to be efficient, effective, and in line with federal policies. Commissioner Sweet also noted the bipartisan support for the Petition, the lack of controversy surrounding it, and its timeliness given Pennsylvania's ongoing budget discussions. Commissioner Sweet concluded that Pennsylvania simply sought recognition in the FCC's auction for additional support Pennsylvania may bring to the process.

This letter will be electronically filed in accordance with the FCC's rules. Please advise me if there is anything else you may require.

Respectfully,



Regina L. Matz

cc: Jay Schwarz, Ph.D.